

CHARLIE BAKER
Governor



KARYN POLITO
Lt. Governor

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**Governor Baker Signs Legislation Enhancing Partnerships
Between State and Municipal Governments**

New law is the product of extensive outreach and input from municipal officials

BOSTON – Today, Governor Charlie Baker signed legislation improving critical components of the partnership between state and municipal governments by eliminating or updating obsolete laws, promoting local independence, streamlining state oversight and providing municipalities with greater flexibility. The legislation, *An Act modernizing municipal finance and government* ([H. 4565](#)), reflects operational modernization and technological advancement at the local level, allowing municipalities to better address local issues.

"This municipal modernization legislation is a great example of some true weed whacking of outdated, clunky laws that will empower our municipalities and support good-governing at the local level across the Commonwealth," **said Governor Charlie Baker**. "As two former local officials ourselves, the Lieutenant Governor and I have a true appreciation for the independence and flexibility created by this commonsense bill, allowing municipal officials to better serve all of our constituents and create stronger communities in all of our 351 cities and towns."

"City and town officials across the Commonwealth know they have a reliable partner in the Baker-Polito Administration," **said Lieutenant Governor Karyn Polito**. "Whether through the working group we established shortly after taking

office that generated over 1,300 suggestions from over 235 municipalities and school districts on how to deliver services more efficiently, or the more than 231 Communities that have signed a Community Compact, the ongoing dialogue we have had with local officials and our partners in the legislature is what made this effort possible.”

The Baker-Polito Administration’s commitment to support and partner with local municipal governments remains a strong priority. As a part of the Building Stronger Communities tour, Lt. Governor Polito has met with officials from over 130 municipalities and professional associations. Since the establishment of the Community Compact Cabinet, Lt. Governor Polito has signed over 230 compacts to strengthen partnerships between cities and towns and the Commonwealth. These initiatives facilitate better communication and collaboration with local officials to further implement best practices in municipal governance.

"When we introduced these reforms in December we did so with four key themes aimed to help our municipal partners improve the way they conduct their day-to-day business," **said Administration and Finance Secretary, Kristen Lepore.** "These reforms eliminate and update obsolete laws, promote local independence, streamline state oversight and provide municipalities with greater flexibility to modernize ways in which our communities conduct their business."

“Like clearing out the cobwebs in an old barn, modernizing the way our municipalities are allowed to operate and streamlining state oversight by eliminating outdated requirements will make a difference at the ground level for people,” **said Dan Rivera, Mayor of Lawrence.** “I want to thank Governor Baker, Lieutenant Governor Polito, Speaker DeLeo , Senate President Rosenberg and the Legislature for dedicating such a tremendous amount of time and effort on what may seem like small, mundane items, but that will have an incredible impact on citizens lives throughout the commonwealth.”

"As former local officials the Governor and Lieutenant Governor recognize the challenges faced by municipal leaders as we strive to deliver the highest level of service to our residents and business owners," **said Andrew Maylor, North Andover Town Manager.** "Governor Baker’s sponsorship of the Municipal Modernization Act as well the administration’s comprehensive review of Executive Branch regulations, demonstrates support for our efforts and his commitment to cities and towns throughout the Commonwealth."

“Outdated bureaucracy and impediments to operational efficiencies negatively impact government services and our residents,” **said Ed Augustus, Worcester City Manager.** “This legislation will allow the City of Worcester to be more nimble and

better meet the expectations of our community and the fast paced and dynamic environment in which we live.”

The municipal modernization legislation signed today addresses a number of seemingly small issues that can often weigh on a local city and town, particularly those with limited resources,” **said Lisa Blackmer, President of the Massachusetts Municipal Association (MMA).** “ The MMA wants to thank Governor Baker, Lieutenant Governor Polito, Secretary Lepore, Speaker Deleo, and President Rosenberg for their attentiveness to those issues and we look forward to more efficient and flexible local governments as a result of this key legislation.”

The foundations of the Municipal Modernization bill are: eliminating or updating obsolete laws; promoting local independence; streamlining state oversight; and providing municipalities with greater flexibility.

Eliminate or Update Obsolete Laws

- **Eliminates required reports on county government matters** – Repeals provisions of the county finance statute that require DLS to review various aspects of county government finance.
- **Electronic issuance of Civil Motor Vehicle Infraction (CMVI)** – Adopts the necessary changes to the civil motor vehicle infraction law to allow cities and towns to issue citations electronically
- **Updates OPEB Trust Fund Statute GASB compliant** – This change clarifies current language to makes it easier for governmental units to create an OPEB trust fund that complies with the legal requirements for trusts with GASB.
- **Creates a uniform and consistent deadline for taxpayers seeking personal exemptions** – Sets April 1 as the deadline for personal exemption applications in all communities.

Promote Local Independence

- **Eliminates Statutory Caps on Stabilization funds, reserve funds, revolving funds**—Amends current law by permitting appropriations into the fund by majority vote and permits the municipality, without appropriation, to dedicate all or a portion of particular revenue streams to the fund.
- **Expands a municipality’s ability to make year-end budget adjustments.**
- **Liberalizes use of stabilization funds, reserve funds, revolving funds** –

Broadens the revolving funds statutes to permit more flexibility in the use of such funds and to eliminate all caps.

- **Increases threshold for payment of court judgments without appropriation and eliminate DLS approval** – Amends current law to reflect the current operating environment where obligations to make immediate payments based on various legal claims now are just as likely to result from decisions of administrative agencies rather than just court judgments.
- **Eliminates certain reporting requirements to DLS.**

Streamline State Oversight

- **Extends the certification review of local assessing practices from three to five years.**
- **Eliminates the four year state valuation and replaces it with a formula for the distribution of PILOT's (state-owned land).**
- **Updates statutes that dictate DLS duties to reflect changes in Division's mission over past 30 years.**
- **Eliminates DLS approval for things such as abatement of taxes on low-valued land and abatement of taxes on properties being made available for affordable housing.**
- **Eliminates requirements to print and distribute certain forms and approve use of electronic forms.**

Provide Municipalities with Greater Flexibility

- **Simplifies, clarifies and increases state and municipal procurement thresholds** – Various reforms designed to give municipalities more flexibility in how they procure construction contracts.
- **Simplifies and updates debt statutes** – Increases short-term borrowing max from 5 to 10 years, allows borrowing for a reimbursable state grant, and increases the de minimis surplus bond balance that may be used to pay debt service.
- **Raises the ceiling on the residential exemption from 20 to 35%.**—This change will greatly benefit cities and towns with large seasonal populations.

- **Allows municipal committees to designate one of its own members, or a town manager/administrator, to review and approve bills and warrants.**

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